Attachment 1: Description of Emission Reduction Measure Form

Please fill out one form for each emission reduction measure. See instructions in Attachment 2.

Title: Compensation for solar electricity

Type of Measure (check all that apply):

☐ Direct Regulation ☐ Market-Based Compliance
☒ Monetary Incentive ☐ Non-Monetary Incentive
☐ Voluntary ☐ Alternative Compliance Mechanism
☐ Other Describe:

Responsible Agency: ARB

Sector:

☐ Transportation ☒ Electricity Generation
☐ Other Industrial ☐ Refineries
☐ Agriculture ☐ Cement
☐ Sequestration ☐ Other Describe:

2020 Baseline Emissions Assumed (MMT CO2E):

Percent Reduction in 2020:

Cost-Effectiveness ($/metric ton CO2E) in 2020:

Description: Currently, if you have a photovoltaic system and generate more energy than you use in a year, you are not compensated for the energy you generate. The only exception that I have heard of is within SMUD. The result is that the electric companies, such as PGE, receive free energy. If they were to pay for it, people would have more incentive to install PV systems on their houses and businesses, as well as an incentive to use less energy than they generate once they have installed it. Non-renewable energy generation would be replaced by solar generated energy.

Emission Reduction Calculations and Assumptions:

Cost-Effectiveness Calculation and Assumptions:

Implementation Barriers and Ways to Overcome Them: The electric companies would be a barrier in implementing a change. One way to overcome their opposition is for the state to levy a green fee of ten times the estimated amount of non-compensated energy. The rationale for the amount of the green fee would be to give them an

incentive to pay people and to make up for the amount of non-renewable energy they are suppressing from coming on line by the current system. The green fee could be adjusted up until they decided to pay their suppliers (people with PV systems), at which point there would be no green fee.

Potential Impact on Criteria and Toxic Pollutants:

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